



UTAH ASSOCIATION
OF COUNTIES
INSURANCE MUTUAL

UAC INSURANCE MUTUAL MINUTES, MEMBERSHIP MEETING

November 8, 1995, 4:00 p.m.
St. George Holiday Inn

BOARD MEMBERS PRESENT

| | |
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| Gerald Hess, <i>Vice President</i> , Davis County Deputy Attorney | Sid Groll, Cache County Sheriff |
| Robert Gardner, <i>Secretary</i> , Iron County Commissioner | Ty Lewis, San Juan County Commissioner |
| Dennis Ewing, <i>Comptroller</i> , Tooele County Clerk | Gary Sullivan, Beaver County Commissioner |
| Ken Brown, Rich County Commissioner | Sarah Ann Skanchy, Cache County Council Member |

BOARD MEMBERS ABSENT

Gary Herbert, *President*, Utah County Commissioner

MEMBERS PRESENT

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|---|---|
| Paul Barton, Beaver County Clerk-Auditor | Doug Carriger, Beaver County Administrative Assistant |
| LuAnn Adams, Box Elder County Clerk-Recorder | Lee Allen, Box Elder County Commissioner |
| Jay Hardy, Box Elder County Commissioner | Royal Norman, Box Elder County Commissioner |
| John Rausch, Box Elder County Purchasing Agent | Larry Anhder, Cache County Council Member |
| Michael Gleed, Cache County Recorder | Lynn Lemon, Cache County Executive |
| Preston Ward, Cache County Deputy Surveyor | Willard Gardner, Davis County Assessor |
| Margene Isom, Davis County Clerk-Auditor | Dannie McConkie, Davis County Commissioner |
| Carol Dean Page, Davis County Recorder | Carol R. Page, Davis County Commissioner |
| Marilyn Smith, Davis County Administrative Assistant | Gayle Stevenson, Davis County Commissioner |
| Curtis Dastrup, Duchesne County Commissioner | Pat Stratton, Duchesne County Clerk |
| Ross Huntington, Emery County Auditor | Kent Petersen, Emery County Commissioner |
| Camille Moore, Garfield County Clerk-Auditor | John Maynard, Grand County Council Member |
| Dennis Ayers, Iron County Assessor | Norman Anderson, Juab County Assessor |
| Gordon Young, Juab County Commissioner | Joe Judd, Kane County Commissioner |
| Shane Millett, Piute County Treasurer | Blair Francis, Rich County Commissioner |
| Rick Bailey, San Juan County Administrative Assistant | Peggy Mason, Sevier County Commissioner |
| Ralph Okerlund, Sevier County Commissioner | Tex Olsen, Sevier County Commissioner |
| Steve Wall, Sevier County Clerk-Auditor | Randall Covington, Utah County Recorder |
| Kent Sundberg, Utah County Deputy Attorney | Marilyn Gillette, Tooele County Deputy Clerk |
| Lois McArthur, Tooele County Commissioner | Donna McKendrick, Tooele County Recorder |
| Gayle Aldred, Washington County Commissioner | Carolyn Sutterfield, Washington County Secretary |
| Meeks Morrell, Wayne County Commissioner | Sandra Rees, Wayne County Clerk-Auditor |

OTHERS PRESENT

| | |
|---|---|
| Brent Gardner, UACIM Administrator | Doug Alexander, UACIM Claims Administrator |
| Brett Rich, Director, UACIM | Jess Hurtado, UACIM Broker, ARS |
| David Nelson, UACIM Loss Prevention Manager | Keri Chappell, UACIM Broker, ARS |
| Sonya White, UACIM Administrative Assistant | Ren Walden, Aon Insurance Management Services |

WELCOME & CALL TO ORDER

The President of the UAC Insurance Mutual, Gary Herbert, requested to be excused from this meeting due to an out-of-state commitment. Gerald Hess, Vice-president, welcomed all those in attendance and introduced the Board of Directors to the membership. The following member counties were represented at this meeting: Beaver, Box Elder, Cache, Davis, Duchesne, Emery, Garfield, Grand, Iron, Juab, Kane, Piute, Rich, San Juan, Sevier, Tooele, Utah, Washington and Wayne. Member counties not represented at this meeting were: Millard, Sanpete, Uintah and Wasatch. Pursuant to the UACIM Bylaws, 12 county representatives constitute a quorum to do business, therefore, the meeting was called to order.

REVIEW AND APPROVAL OF APRIL 1995 MINUTES

The minutes from the April 12, 1995, Membership Meeting were reviewed and discussed. Meeks Morrell made a motion to approve the minutes as written. Rick Bailey seconded the motion and the motion carried.

INTRODUCTION OF UACIM DIRECTOR

Gerald Hess reported that after a thorough search, the Board of Directors have hired Brett Rich to serve as the Director of the Mutual. Brett was introduced to the membership as being a native of Cache County, he has been in business for himself, he has completed law school and he came to the Board highly recommended. The Board is very pleased with the work Brett has been doing since becoming the Director just a few months ago. Brett speaks on behalf of the Mutual and has begun visiting each member county. He will be available during the Convention for any questions or concerns. The membership welcomed Brett.

ELECTIONS

Gerald Hess explained that four of the existing Board Members are up for re-election: Gerald Hess, *second class representative*, Robert Gardner, *at-large representative*, Kenneth Brown, *sixth class representative*, and Sid Groll, *at-large representative*. A nomination form was sent to each member county elected official to nominate an elected official or employee of these four classes. The only nominations received were for the four existing members. Gerald opened the floor for nominations. Dennis Ewing made a motion to cease nominations and elect Gerald, Robert, Kenneth and Sid by acclamation. Meeks Morrell seconded the motion and the motion carried.

USE OF DEFENSE COUNSEL PRIOR TO CLAIM

Gerald Hess explained that the Mutual provides a program/service that allows member counties who are concerned about a county situation escalating into a claim or suit. The member counties can contact Brett Rich who may authorize the consultation with a Board approved attorney in an effort to resolve the situation before it becomes a problem. The Board has found that this service has been very effective and are now in the process of refining this program which will be sent to the membership upon completion.

CHANGE IN THE 1995 UACIM EXCESS POLICY

Jess Hurtado reported that AIMS went into market for the 1995 excess policy renewal which St. Paul Insurance Company renewed at the same rates they have given the Mutual since 1992. However, St. Paul advised that they would no longer be able to continue the \$50 million limit for earthquake and flood coverage that they have provided in the past. The limit, as of 1/01/95, they are providing is \$10 million earthquake and flood coverage. After extensive negotiations with St. Paul, a notice was sent to each member county once this change was confirmed. St. Paul has now confirmed that the 1996 renewal rates will also remain the same.

TENANT USERS LIABILITY INSURANCE PROGRAM (TULIP)

Keri Chappell reviewed with the membership that approximately six weeks ago, this new program was sent to all the member county insurance coordinators. This program provides coverage for third-party groups using/renting county facilities. County sponsored events are covered under the Mutual but if a third-party is using/renting a county facility, the county would be liable if an accident were to occur. The Board has implemented this program to transfer risk to the third-party. The application is easy to complete, the premiums are inexpensive, the policy has a \$1 million liability limit, 24 hour turn-around time and the policy names the county as additional insured. With coverage through Fireman's Fund Insurance Company, this insurance is meant for spectators not participants in an event. Keri will be available during the Convention if anyone has questions or concerns.

LOSS PREVENTION REPORT

David Nelson reviewed the importance of managing risks within the counties. The Loss Prevention Department conducts annual risk reviews and offer recommendations to minimize the county's losses, conducts training in many areas such as civil rights and wrongful termination, and acts as a consultation service. Loss prevention is a part of the risk management process. David reviewed charts which compared each county using loss severity and loss frequency by year. The numbers were adjusted by 1000 population so that the counties could compare themselves with each other no matter the size. The information listed in the charts were taken from the monthly loss reports which each county receives every month. David noted that the auto physical damage claims are trending downward for 1995 which can be attributed to the counties loss prevention efforts.

Brent Gardner also reviewed several charts which tracked the top 10 high dollar claims per year. The charts listed the county, the amount paid, and the claim number. Obviously this is a list a county does not want to be on but the information was presented to encourage loss prevention and management of claims. To conclude, Brent congratulated the membership for their attendance at this meeting.

RESPONDING TO YOUR COUNTY RISK REVIEW

Kent Sundberg began by commenting on the TULIP program and explaining that the Sundance Film Institute rented a county facility last year and paid \$1500 for a liability policy. Under the TULIP program the policy will only cost them \$185 this year. Quite a savings to the constituents of your counties.

Kent is the Chairman of the Mutual's Litigation Management Committee and Insurance Coordinator for Utah County. He explained that the Board and David Nelson are concerned about the counties responding to their annual risk review and was asked to present the procedure he uses once he receives the recommendation letter from David. In Utah County's 1995 risk review, David found 20 things he felt the county needed to correct. In his letter he asks that the county notify him within 30 days of what corrective action the county plans to take. Kent schedules a meeting with several of the department heads to discuss the recommendations and allocate responsibilities. The department heads report back to Kent with a corrective action plan within two weeks. Kent then reports back to David with this information and if the county does not agree with a recommendation then an explanation is given as to how the county will handle the discrepancy. Kent urged each member county to put a procedure together so that a response to the risk reviews can be given within 30 days. Kent feels that the risk reviews have been a good tool for Utah County because it enables them to see the possibility of loss and what can be done to limit loss.

RELEASES AND JOINT POLICY STATEMENT

Brett Rich reported that two release forms regarding; 1) surplus and 2) eminent domain/inverse condemnation as well as a joint policy statement, regarding the payment of claims in the event the loss fund and stop loss aggregate are exhausted, were sent to each member county in August. Apparently there was a bit of confusion as to the purpose of these releases and the joint policy statement. Brett explained that in the examination completed by the Insurance Department in 1995, for the year ending 1994, the examiner recommended that such releases should be signed by all participating counties to confirm their understanding of the yearly surplus contribution and the contribution for eminent domain/inverse condemnation in 1993 and 1994. The examiner also recommended that a specific policy should be adopted for the payment of claims in the event the loss fund and stop loss aggregate are exhausted in any one year. In the standard industry, there may also be such a policy but its participants are most likely unaware of what the policy states. This is another advantage of being a member of the Mutual.

BROKER'S REPORT/CLAIMS REVIEW

Jess Hurtado gave a brief recap of the claims experience and the benefits of the Mutual's dedicated claims unit. Since 1992 to-date, the Mutual has had 1168 claims through the dedicated claims unit. Of those 1168 claims, 1001 or 85% have been closed. This is quite phenomenal for being in operation only four years. The Insurance Service Office (ISO) projects a seven to 13 year claims trend. Jess continued by expressing the importance of controlling auto physical damage claims which he has campaigned during the last two years. These types of losses peaked at \$497,000 last year but have radically declined in 1995 to \$57,000 as of October. Also, the area of civil rights is sending a red flag within the Mutual. These types of claims are usually high dollar claims to defend. UAC has been working over the last year to get jail standards for each of the members in an effort to control civil rights claims. Also, each county should have policies and procedures regarding employment related issues. Jess and Keri will be available during the remainder of the Convention for questions and concerns.

BROKER'S REPORT/CLAIMS REVIEW conti.

Doug Alexander reminded the membership that he is the Mutual's loyal and dedicated Claims Manager. Doug reported that to-date the Mutual has a total of 118 civil rights claims of which 83 claims are in the department of law enforcement and 28 are in the department of administration. Most of the open cases in litigation are in the area of civil rights. Prompt, complete claim notifications will assist in the claim unit's ability to control costs. Cases settled by the counties may cost more than what Doug can settle the claim for—this is his profession.

1996 PREMIUM CONTRIBUTIONS

Gerald Hess reported that the 1996 premium contribution invoices were sent to each member county insurance coordinator last month—October—to allow the counties enough time to budget. After extensive review and discussion of each counties loss history, the Board, as they have done in the past, adopted a loss sensitive formula which increased premiums approximately 11.9% over last year. As you may recall from the discussion at last years membership meeting, the Board had opted to gradually tier the premium increases over a few years to pay for the "sins of the past"—1993 and 1994 loss history was high. Gerald explained that the surplus and premium contributions are put into the State Treasurer's Fund. Excess insurance, brokers fees, administration fees and claims administration fees are then paid and the loss fund is reserved to pay claims throughout the year. If the loss fund is depleted then the Mutual begins to dig into surplus. This is why the loss prevention effort is so important to all of us. We want to continue to build surplus to meet the Insurance Department requirements and we want to build that surplus quickly so that premium contributions can be reduced. The goals set by the Mutual in 1992 have been accomplished, the Mutual is fiscally sound and it is very gratifying to have so many here today. If we continue to work together, the Mutual will continue to be successful.

1996 BUDGET REPORT

Gerald Hess explained that the Board has been reviewing the budget for the last couple of months but have not yet adopted the 1996 budget. Once the budget is adopted it will be sent to all member counties pursuant to the bylaws.

LOW LOSS RATIO COUNTY AWARDS

Dennis Ewing, UACIM Comptroller, explained that the goal of the Mutual is to have a 100% or less loss ratio. On behalf of the Board of Directors, Dennis congratulated and awarded the following counties whose loss ratios are under 100%: Beaver, Grand, Kane, Millard, Piute, Rich, Sevier and Wayne. These counties will officially be presented with their awards at their next commission/council meeting. The membership gave a round of applause for these counties.

The Board thanked all those attending today. The meeting was adjourned.

UAC INSURANCE MUTUAL ANNUAL MEMBERSHIP MEETING

NOVEMBER 8, 1995, 4:00 P.M.
ST. GEORGE HOLIDAY INN
SABRA A&B



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|------|--|-----------------------------------|
| 4:00 | WELCOME | GERALD HESS |
| | REVIEW AND APPROVAL OF APRIL 12, 1995 MINUTES | GERALD HESS |
| | ELECTIONS | GERALD HESS |
| | INTRODUCTION OF UACIM DIRECTOR | GERALD HESS |
| | USE OF DEFENSE COUNSEL PRIOR TO CLAIM | BRETT RICH |
| | CHANGE IN THE 1995 UACIM EXCESS POLICY | JESS HURTADO |
| | TENANT USERS LIABILITY INSURANCE PROGRAM (TULIP) | KERI CHAPPELL |
| | LOSS PREVENTION REPORT | DAVID NELSON |
| | RESPONDING TO YOUR COUNTY RISK REVIEW | KENT SUNDBERG |
| | CLAIM HANDLING PROCESS | GERALD HESS |
| | RELEASES AND NEW JOINT POLICY STATEMENTS | BRETT RICH |
| | BROKER'S REPORT/CLAIMS REVIEW | JESS HURTADO KERI CHAPPELL |
| | 1996 PREMIUM CONTRIBUTIONS | GERALD HESS |
| | 1996 BUDGET REPORT | ROBERT GARDNER |
| | OTHER BUSINESS | GERALD HESS |
| | LOW LOSS RATIO COUNTY AWARDS | DENNIS EWING |
| | QUESTIONS & ANSWERS | MEMBERSHIP, BOARD OF DIRECTORS |
| 6:00 | MEMBERSHIP DINNER | SABRA C |

ATTENDANCE ROSTER

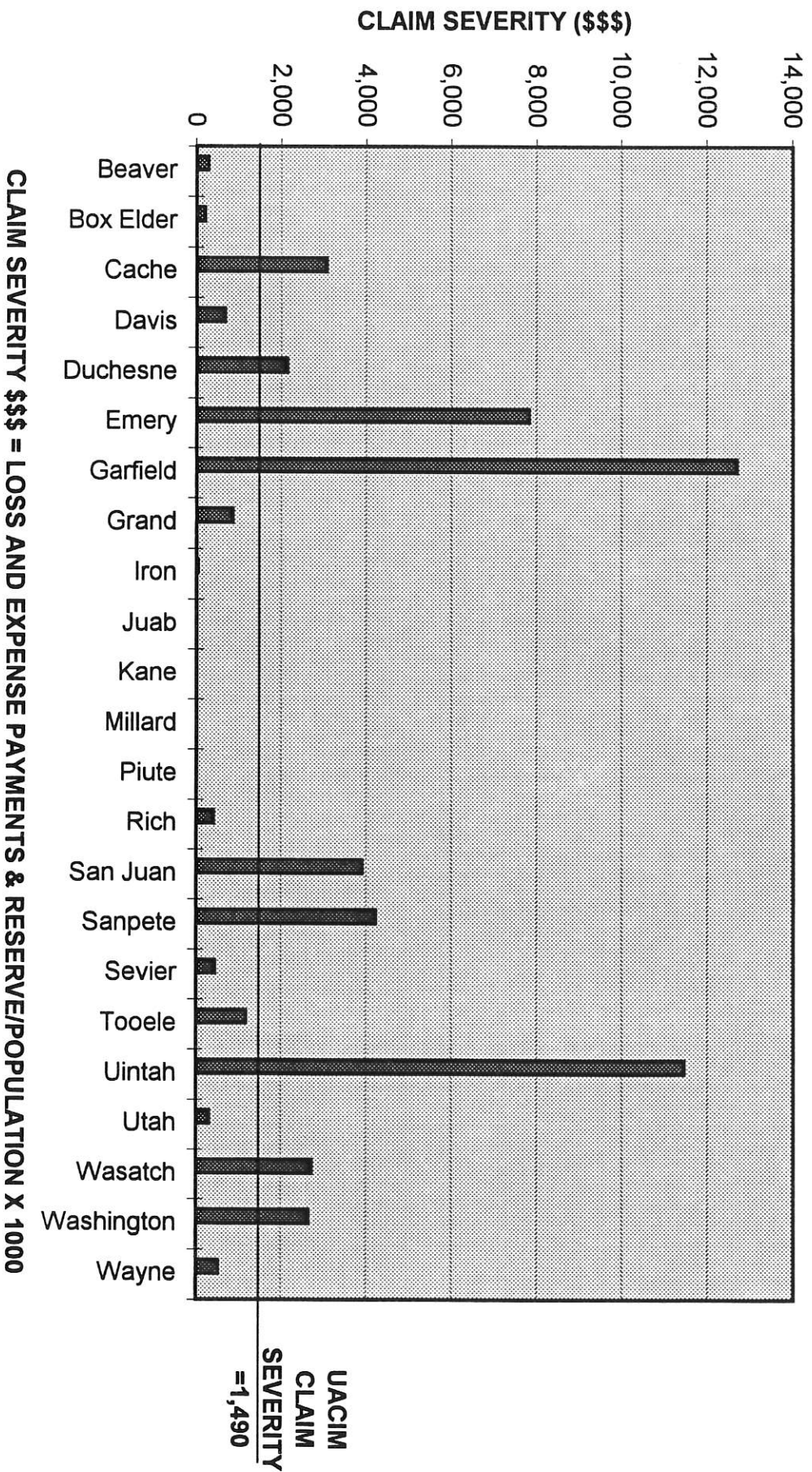
UAC INSURANCE MUTUAL MEMBERSHIP MEETING
November 8, 1995

| NAME | COUNTY/TITLE | SIGNATURE |
|---------------------|--|--------------------|
| Adams, LuAnn | Box Elder County Recorder-Clerk | LuAnn Adams |
| Ahlstrom, Douglas | Tooele County Attorney | Douglas Ahlstrom |
| Aldred, Gayle | Washington County Commissioner | Gayle M. Aldred |
| Alexander, Douglas | Aon Insurance Management Services | Douglas Alexander |
| Allen, Lee | Box Elder County Commissioner | Lee Allen |
| Anderson, Norman | Juab County Assessor | N. Anderson |
| Ayers, Dennis | Iron County Assessor | Dennis Ayers |
| Bailey, Rick | San Juan County Administrative Assistant | Rick M. Bailey |
| Barton, Paul | Beaver County Clerk-Auditor | Paul Barton |
| Behling, JoAnn | Emery County Treasurer | |
| Bernini, Joseph | Juab County Commissioner | |
| Bird, Marie | Utah County Assistant Recorder | |
| Brown, Kenneth | Rich County Commissioner | Kenneth Brown |
| Cardon, Tom | Iron County Commissioner | |
| Carriger, Doug | Beaver County Administrative Assistant | Doug Carriger |
| Carroll, Norman | Kane County Commissioner | |
| Carter, Linda | Millard County Recorder | |
| Chappell, Keri | Aon Insurance Management Services | |
| Christenson, Keller | Sanpete County Commissioner | |
| Covington, Randall | Utah County Recorder | Randall Covington |
| Crosby, Steven | Kane County Commissioner | |
| Dastrup, Curtis | Duchesne County Commissioner | Curtis Dastrup |
| Davis, Rob | Davis County Sheriff | Rob Davis |
| Ewing, Dennis | Tooele County Clerk | Dennis Ewing |
| Gardner, Brent | UACIM Administrator | |
| Gardner, Robert | Iron County Commissioner | Robert Gardner |
| Gardner, Willard | Davis County Assessor | Willard Gardner |
| Gillette, Marilyn | Tooele County Deputy Clerk | M. Gillette |
| Gleed, Michael | Cache County Recorder | Michael L. Gleed |
| Griffith, Gary | Tooele County Commissioner | |
| Groll, Sid | Cache County Sheriff | Sid Groll |
| Hardy, Jay | Box Elder County Commissioner | Jay Hardy |
| Henrie, John | Millard County Commissioner | |
| Hess, Gerald | Davis County Deputy Attorney | Gerald Hess |
| Humphries, Glenwood | Washington County Sheriff | |
| Hunsaker, Teryl | Tooele County Commissioner | |
| Huntington, Ross | Emery County Auditor | Ross C. Huntington |
| Hurtado, Jess | Aon Insurance Management Services | |
| Isom, Margene | Davis County Clerk-Auditor | Margene Isom |
| Jensen, Leon | Box Elder County Sheriff | |

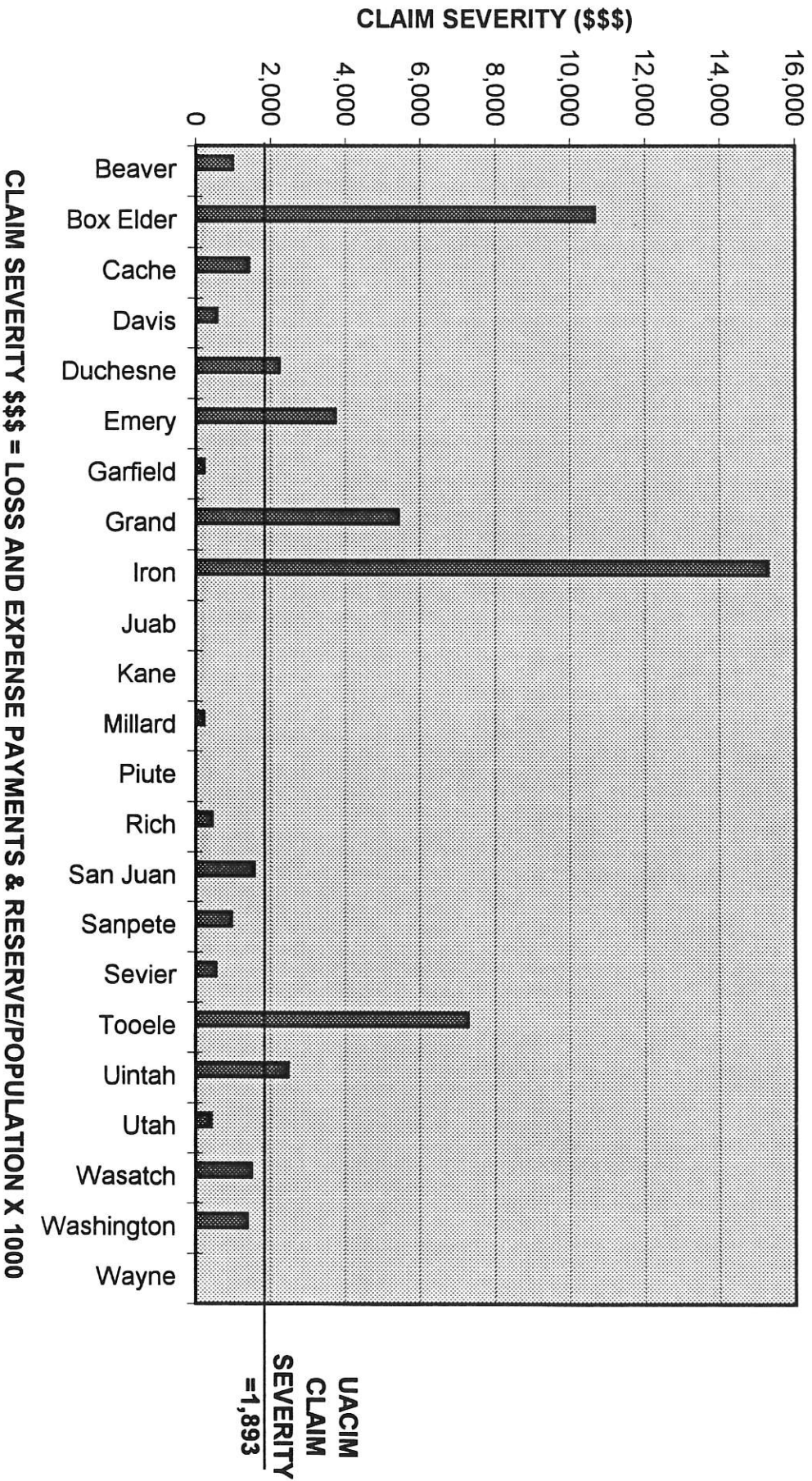
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|--------------------|--|-------------------|
| Jensen, Patti | Box Elder County Deputy Recorder-Clerk | |
| Johnson, Karla | Kane County Clerk-Auditor | |
| Johnson, Randy | Emery County Commissioner | |
| Jones, Connie | Millard County Deputy Recorder | |
| Joseph, LeeAnn | Beaver County Treasurer | |
| Judd, Joe | Kane County Commissioner | Joe Judd |
| Leavitt, Bart | Grand County Council Member | |
| Lewis, Ty | San Juan County Commissioner | Ty Lewis |
| Lowder, Dennis | Iron County Auditor | |
| Madsen, Carlyne | Duchesne County Recorder | |
| Mason, Peggy | Sevier County Commissioner | Peggy Mason |
| Maynard, John | Grand County Council Member | John Maynard |
| McArthur, Lois | Tooele County Commissioner | Lois E. McArthur |
| McConkie, Dannie | Davis County Commissioner | Dannie McConkie |
| McKee, Glen | Uintah County Commissioner | |
| McKendrick, Donna | Tooele County Recorder | Donna McKendrick |
| Millett, Shane | Piute County Treasurer | Shane Millett |
| Moore, Camille | Garfield County Clerk-Auditor | Camille Moore |
| Moosman, Carolyn | Wayne County Assessor | |
| Nelson, David | Loss Prevention Manager | David Nelson |
| Norman, Royal | Box Elder County Commissioner | Royal Norman |
| Okerlund, Ralph | Sevier County Commissioner | Ralph Okerlund |
| Olsen, Tex | Sevier County Commissioner | Tex Olsen |
| Page, Carol Dean | Davis County Recorder | Carol Dean Page |
| Partridge, Art | Washington County Deputy Assessor | |
| Pay, Joyce | Juab County Treasurer | |
| Perkins, Clinton | Washington County Assessor | |
| Petersen, Kent | Emery County Commissioner | Kent Petersen |
| Ramsay, Clare | Garfield County Commissioner | |
| Rausch, John | Box Elder County Purchasing Agent | John Rausch |
| Rich, Brett | Director, UACIM | |
| Richens, Donna | Uintah County Treasurer | |
| Romine, Lenna | Piute County Assessor | |
| Skanchy, Sarah Ann | Cache County Council Member | Sarah Ann Skanchy |
| Stratton, Pat | Duchesne County Clerk | Pat Stratton |
| Sullivan, Gary | Beaver County Commissioner | Gary E. Sullivan |
| Sundberg, Kent | Utah County Deputy Attorney | Kent Sundberg |
| Talbot, Jim | Millard County Assessor | |
| Titcomb, Brent | Wasatch County Clerk-Auditor | |
| Urie, Roy | Iron County Commissioner | |
| Wall, Steven | Sevier County Clerk-Auditor | Steven Wall |
| Ward, Preston | Cache County Deputy Surveyor | Preston B. Ward |
| White, Sonya | UACIM Administrative Assistant | |
| Wilson, Bevan | Emery County Commissioner | |
| Yardley, David | Iron County Clerk | |
| Wayne, Bob | Wayne County Assessor | |
| Yonker, Gordon | Juab County Commissioner | Gordon Young |

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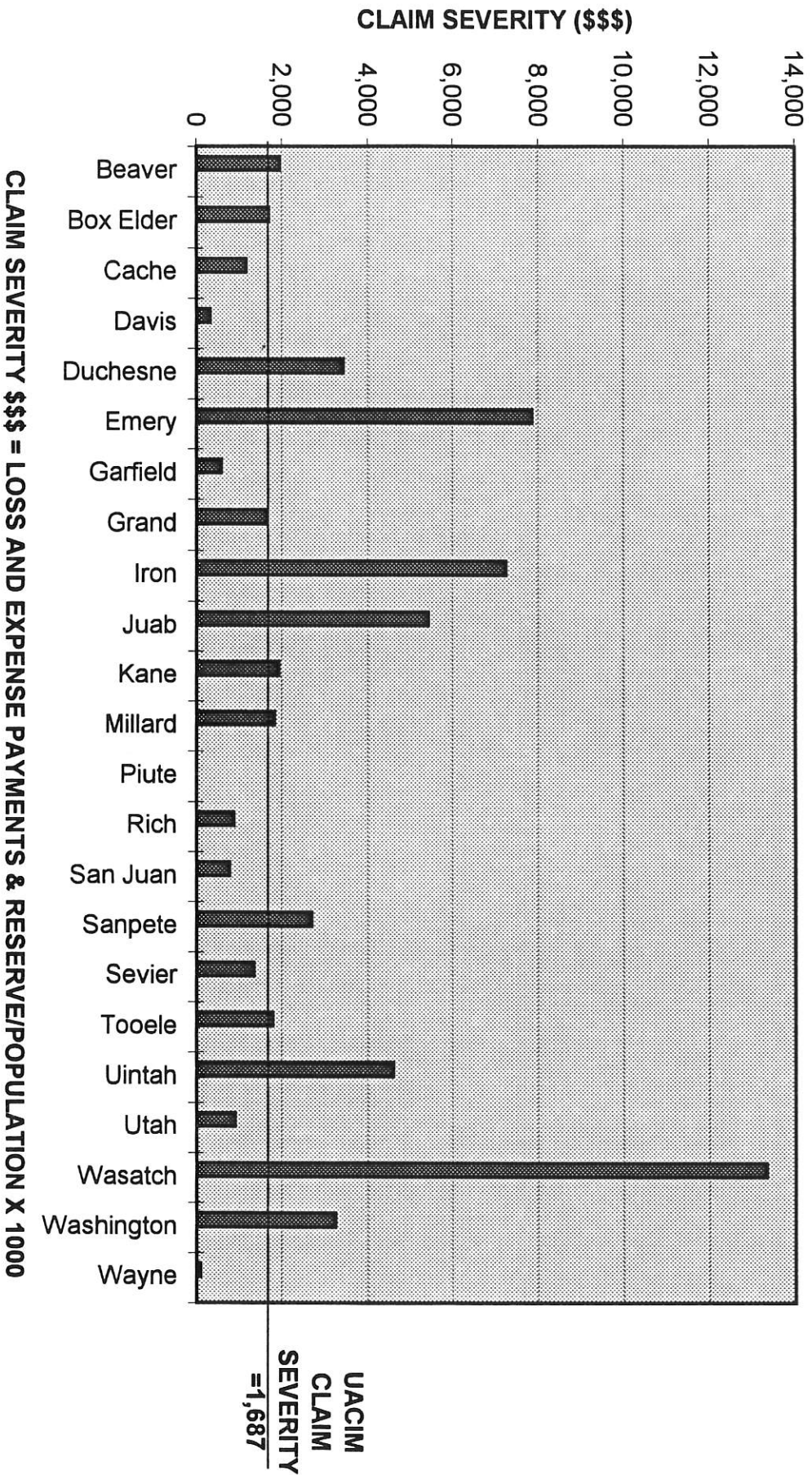
**UAC INSURANCE MUTUAL
1992**



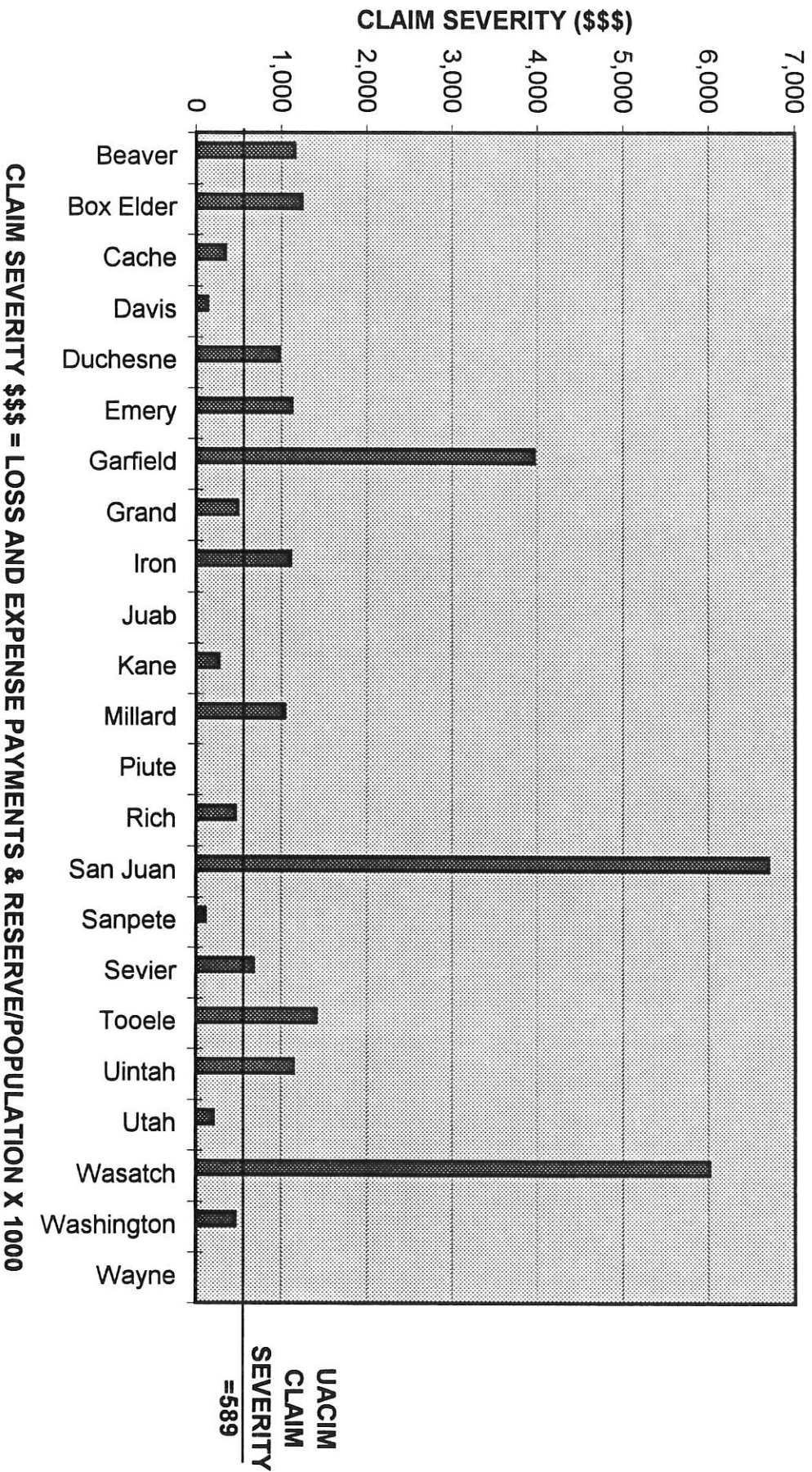
UAC INSURANCE MUTUAL
1993



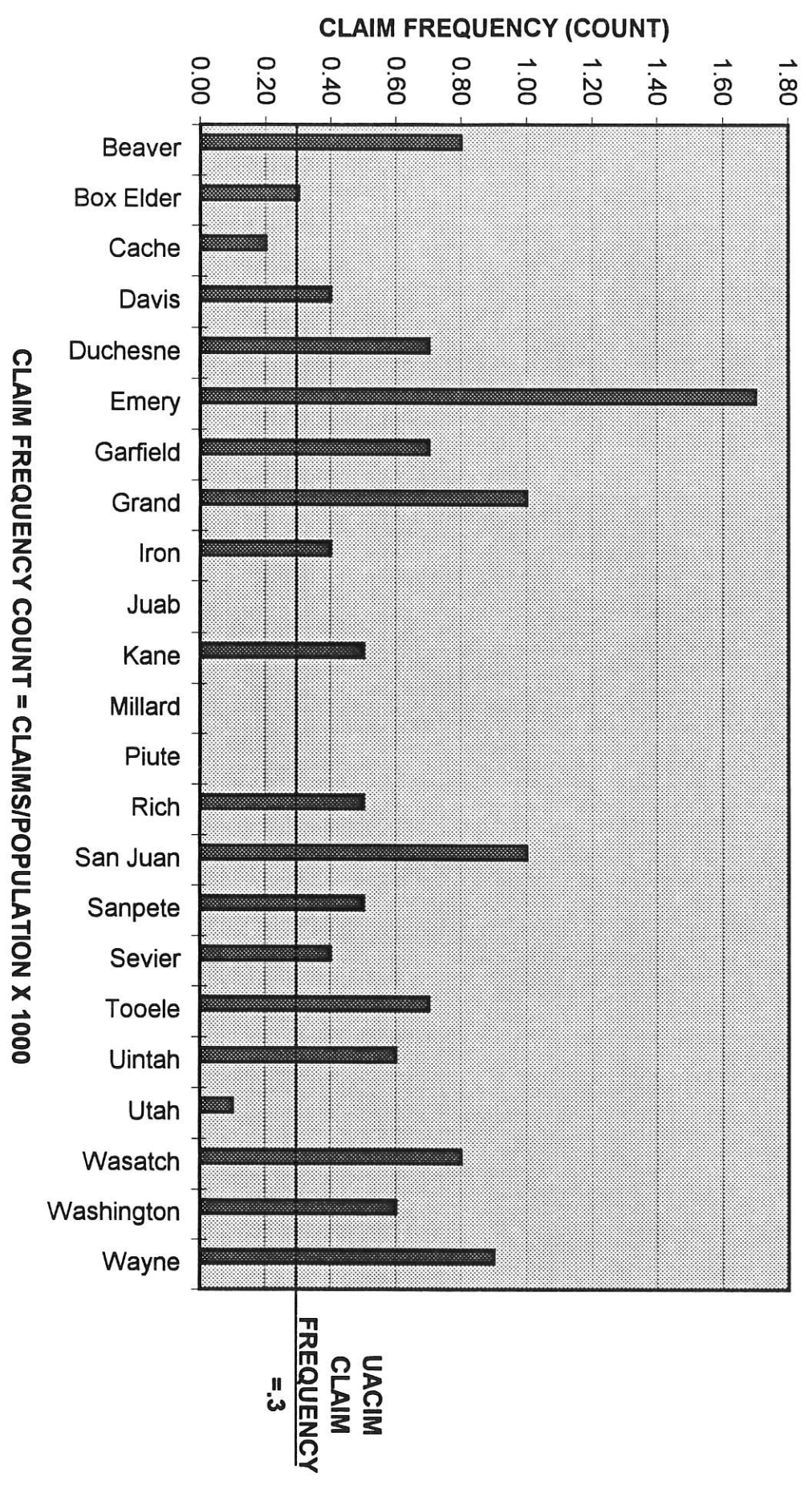
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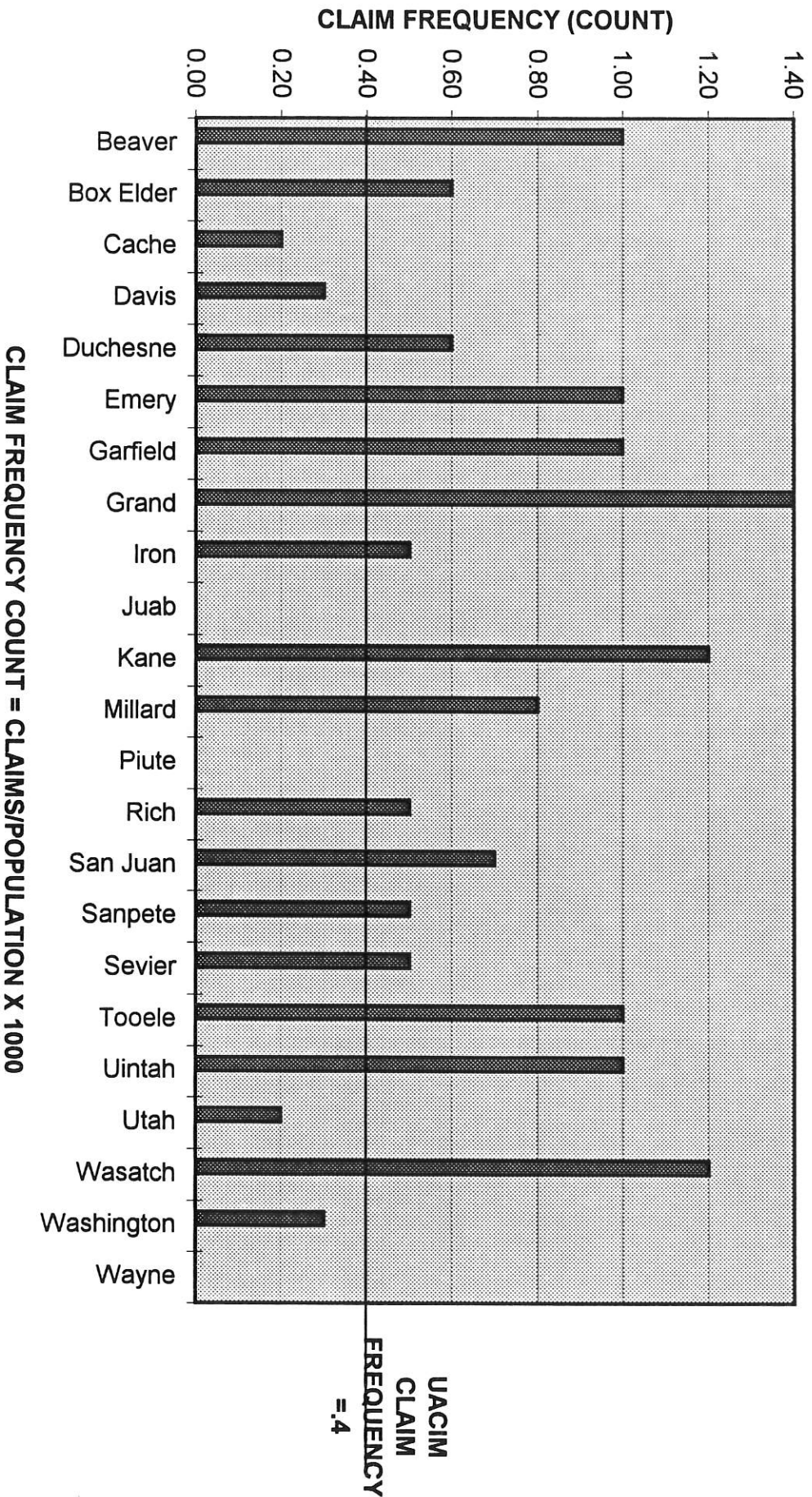
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1995



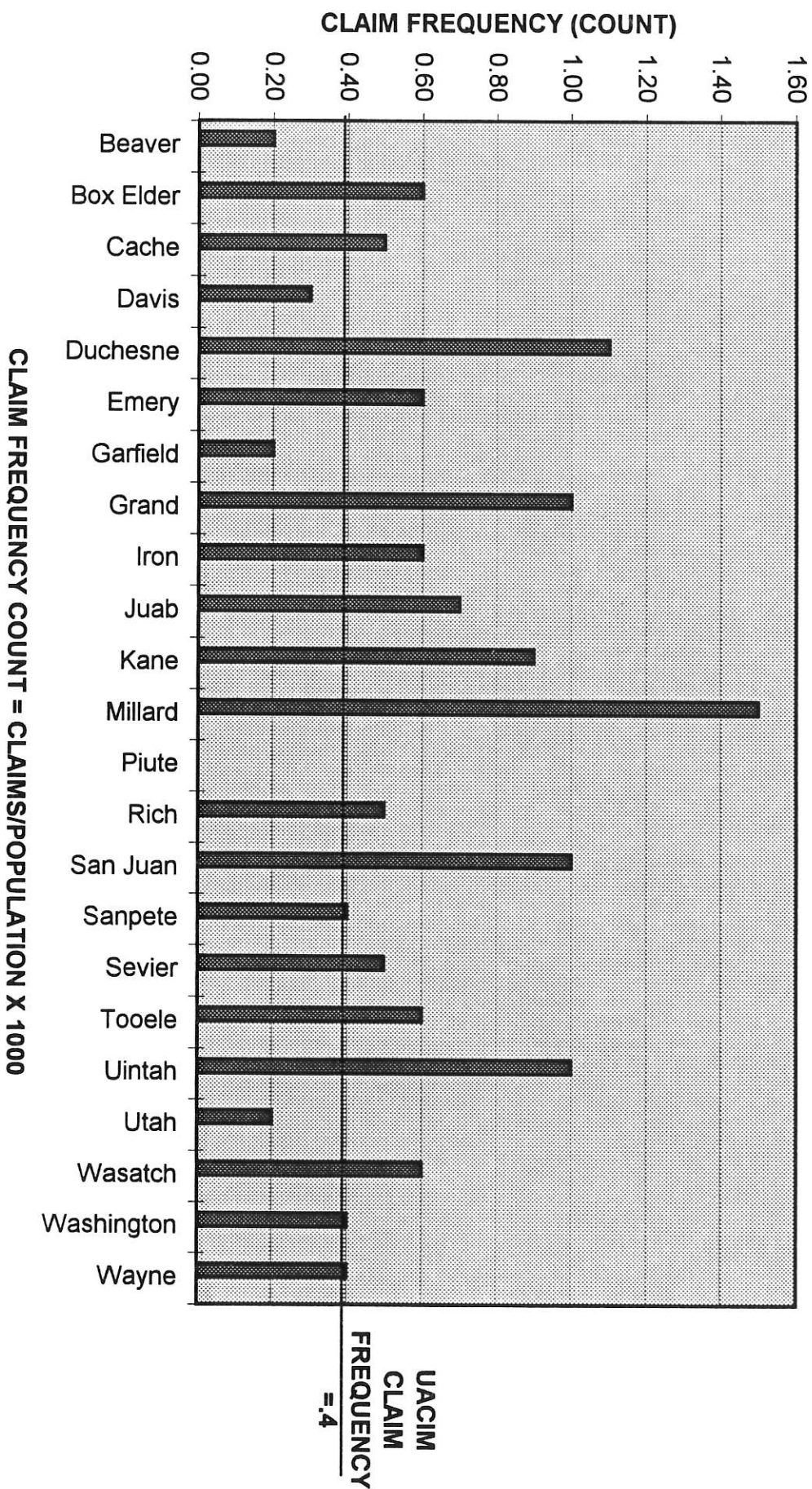
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1992

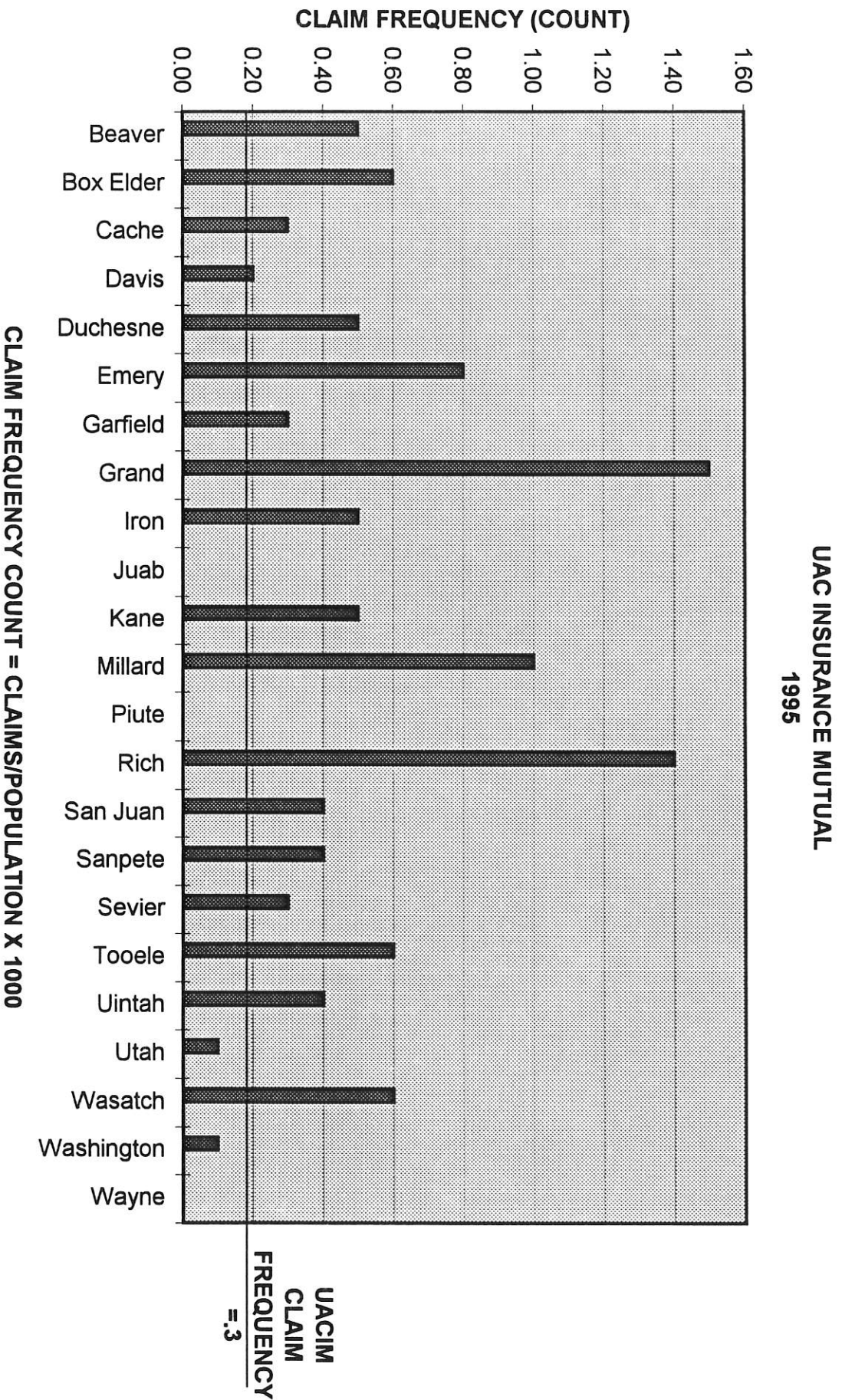


**UAC INSURANCE MUTUAL
1993**



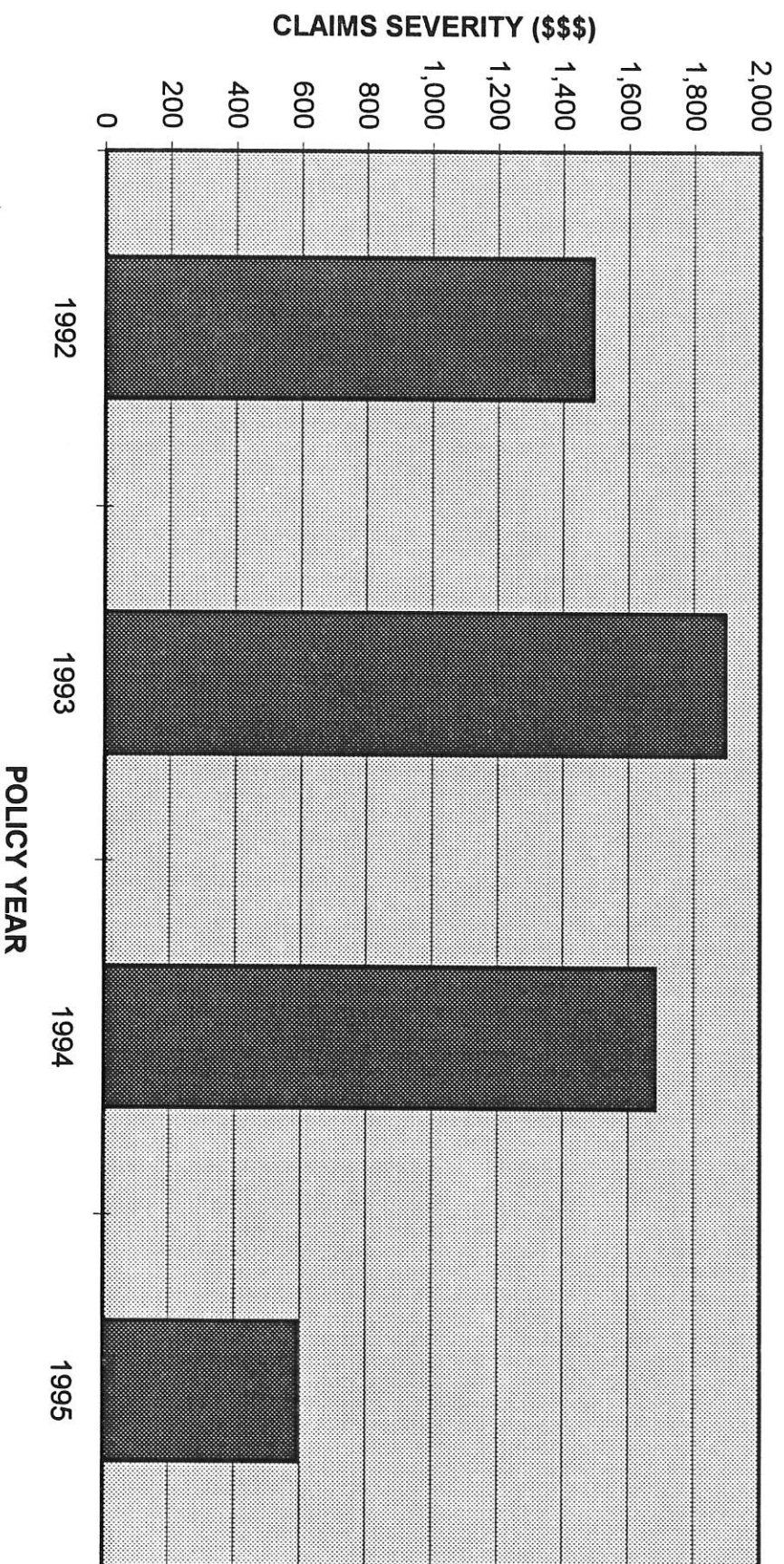
**UAC INSURANCE MUTUAL
1994**





UACIM Claims Severity
Four-Year, per 1000 Population
(as of 9/30/95)

UAC INSURANCE MUTUAL



UACIM Claims Frequency
Four-Year, per 1000 Population
(as of 9/30/95)

UAC INSURANCE MUTUAL

